NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (1/3):
BUTTER: Grade AA closed at $1.1200. The weekly average for Grade AA is $1.1325 (-.0075).
CHEESE: Barrels closed at $1.1100 and blocks at $1.1275. The weekly average for barrels is $1.1100 (-.0075) and blocks, $1.1158 (-.0334).
NONFAT DRY MILK: Extra Grade closed at $0.9100 and Grade A at $0.9100. The weekly average for Extra Grade is $0.9100 (N.C.) and Grade A, $0.9100 (N.C.).

BUTTER: The cash butter price declined 2 1/2 cents on Friday, the first weakness since late November. Many producers and handlers feel that further weakness might occur in light of current production and sales trends. Churning activity during the year end holiday period was reported as heavy. Cream volumes were readily available from coast to coast. In instances, cream was moving greater distances than anticipated to find a willing buyer. Often pricing multiples were lowered to keep buyers interested and volumes moving. Butter stocks increased and churning activity surpassed butter demand. Overall buying interest is light as buyers assess inventories following the holiday period before re-entering the market.

CHEESE: The cheese market is unsettled to weak. At the CME, the price for barrels held at $1.11 all week (three trading days)and 40# blocks held at the same price as barrels until Friday went it jumped to $1.1275. Heavy volumes of milk cleared to manufacturing plants during the holiday period. This increased current cheese offerings. Packaging and processing plants were closed for one or more days during the past 2 weeks, reducing volumes of bulk cheese needed. Buyers were unwilling to add inventory just for yearend purposes and some had set orders for early January shipment. Contacts feel that additional volumes of cheese are expected to clear to CCC in early 2003.

FLUID MILK: Milk supplies remain heavy throughout the country. The second week of the two-week holiday period continues to give manufacturers heavy volumes of surplus milk. Often, milk volumes needed to move greater distances than anticipated to locate processing facilities. Most manufacturing plants were very near or at capacity levels. In some areas of the country, school bottling resumed at midweek as students returned to classes on January 2, while other bottling facilities will be gaining momentum during the next few weeks as all schools and colleges resume classes. Milk production patterns across the country are much the same as the previous week. Outside of continued rain in Northern California, no significant negative weather patterns impacted the milk flow in the states during the holiday period. During 2002, spot Grade A milk shipments into Florida totaled 2,406 loads compared to 1,523 loads during 2001. Exports out of Florida totaled 1,924 loads during the 2002 year while 2,919 loads were shipped out in 2001. Cream volumes were heavy from coast to coast during the year end holiday period. Class II demand has dropped sharply now that holiday needs have been filled, thus large volumes of cream were available to butter churns. Often, pricing multiples were lowered to keep the surplus cream moving.

DRY PRODUCTS: Nonfat dry milk prices are unchanged to lower on a weak market. Production levels are up across the country as surplus milk is available to most drying operations. Powder demand is limited due to holiday schedules of buyers' facilities and the expectation of lower future pricing. Stocks of powder are available for commercial purchases, although some buyers are considering reaching to government stocks for their needs. Buttermilk powder markets are steady to weak with prices unchanged to lower. Heavier milk supplies continue to encourage butter churning and buttermilk production. Supplies of buttermilk powder are building at many locations with producers often lowering prices to keep stocks moving. Whey powder prices are unchanged to lower on a weak market. Due to heavier milk volumes over the holidays to many cheese plants, whey production is increasing and stocks are building.

CCC: For the final two days of the 2002 calendar year, December 30 – 31, CCC purchased 5,095,075 pounds of NDM from the Midwestern and Western producers. During 2002, CCC did not purchase any butter, 12,904,821 pounds of cheese, and 680,198,544 pounds of nonfat dry milk. In comparison to the 2001 calendar year, there were also no butter purchases, 1,286,512 pounds of cheese, and 356,823,821 pounds of NDM. As of December 27, 2002, the government has uncommitted inventories of nonfat dry milk totaling 1.056 billion pounds. This figure compares to 695.6 million pounds for the comparable date last year.

DECEMBER AGRICUTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2002 was unchanged at 125. Compared with December 2001, the index was up 3 points (2.5%). The index of prices received by farmers for dairy products advanced 1 point during the month of December 2002 to 91. Compared with December 2001, the index was down 12 points (11.7%). Prices received by farmers in December with changes from November were: for All Milk, $11.90, up $.10; Fluid Grade Milk, $11.90, unchanged; and for Manufacturing Grade Milk, $10.50, down $.10. The milk feed price ratio for December is 2.45 versus 2.99 last December. The milk feed price ratio is the total pounds of 16% mixed dairy feed equal in value to one pound of milk.

CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the December 2002 prices under the Federal Milk Order pricing system: Class II $11.62 (+$0.36), Class III $9.74 (-$0.10); and Class IV $10.49 (-$0.09). The Class III yearly average for 2002 is $10.42 versus $13.10 during 2001. Product price averages used in computing Class prices are: butter $1.0926, NDM $0.8682, cheese $1.1203, and dry whey $0.1965. The Class II butterfat price is $1.1992 and the Class III/IV butterfat price is $1.1922. Further information may be found at:
http://www.ams.usda.gov/dyfmos/mib/classprcacnmt.pdf

****SPECIAL THIS ISSUE****

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 30	TUESDAY DECEMBER 31	WEDNESDAY JANUARY 1	THURSDAY JANUARY 2	FRIDAY JANUARY 3	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE		N	N				
BARRELS	$1.1100	O	O	$1.1100	$1.1100		$1.1100
	(-.0100)			(N.C.)	(N.C.)	(-.0100)	(-.0075)
		T	T				
40# BLOCKS	$1.1100	R	R	$1.1100	$1.1275		$1.1158
	(-.0475)	A	A	(N.C.)	(+.0175)	(-.0300)	(-.0334)
		D	D				
BUTTER		I	I				
GRADE AA	$1.1450	N	N	----	$1.1200		$1.1325
	(N.C.)	G	G		(-.0250)	(-.0250)	(-.0075)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM **(NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is $.9100 and Grade A price is $.9100. NDM information remains available at the above internet address.)**

CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 30, 2002

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ $1.1300, 1 @ $1.1025, 1 @ $1.1100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.1100

BUTTER — SALES: NONE; BIDS UNFILLED: 8 CARS GRADE AA: 1 @ $1.1425, 2 @ $1.1450, 3 @ $1.1375, 2 @ $1.1350; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ $1.1525, 1 @ $1.1550

TUESDAY, DECEMBER 31, 2002

NO TRADING

WEDNESDAY, JANUARY 1, 2003

NO TRADING

THURSDAY, JANUARY 2, 2003

CHEESE — SALES: 4 CARS 40# BLOCKS: 1 @ $1.1200, 1 @ $1.1300, 1 @ $1.1050, 1 @ $1.1100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JANUARY 3, 2003

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ $1.1175, 1 @ $1.1300, 1 @ $1.1275; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS 40# BLOCKS: 1 @ $1.1300, 1 @ $1.1350, 1 @ $1.1450

BUTTER — SALES: 17 CARS GRADE AA: 1 @ $1.1450, 2 @ $1.1425, 3 @ $1.1400, 3 @ $1.1350, 4 @ $1.1300, 2 @ $1.1250, 2 @ $1.1200; BIDS UNFILLED: 4 CARS GRADE AA: 2 @ $1.1200, 2 @ $1.1100; OFFERS UNCOVERED: 4 CARS GRADE AA: 2 @ $1.1425, 2 @ $1.1450

BUTTER MARKETS

NORTHEAST

The market tone is mostly steady. However, the price of butter at the CME cash market had increased three consecutive trading sessions prior to the December 30 trading when it was unchanged. This “mini” price run-up surprised many in the trade since demand has slowed and output is increasing. Churning activity is very heavy, but should slow as we get past the holidays. Some butter makers did limit the volumes of outside cream they took in during the holidays. Following typical patterns, demand for butter has slowed. Most retailers are working off existing stocks before taking any more deliveries. Retail features are no longer commonplace and retail sales have slowed. Food service orders are about steady to slower. Sales of bulk butter, f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

CENTRAL

Many butter producers and handlers remain quite surprised with the firm cash butter price at the CME in relationship to the time of year and heavy butter production. Churning schedules are reported to be very active during the current holiday period as cream volumes are readily available from both local and out of area sources. Stocks of butter are building as current demand is often not keeping pace with production. Producers and handlers indicate that butter orders are off sharply this week. This was basically anticipated by most producers as holiday needs have been filled and additional orders are not expected until the first of the year after which buyers assess their inventory situation following the holidays. Bulk butter for spot sales is selling in a range of flat to 2 cents per pound over various pricing basis.

WEST

Butter production was heavier than anticipated over the Christmas holiday week. Abundant surplus cream was available and it often had to travel long distances to find a home. Stocks of butter are heavier going into the end of the year than many contacts had planned for. December butter sales are being rated as very good, but this late surge in production will leave inventories heavier than anticipated. Contacts are also concerned with the sharp decline in block cheese prices on Monday of the last week of the year and what impact that might have on butter price psychology. Weekly CME butter stocks increased last week by 1.95 million pounds. The more normal situation is for butter stocks to decline until into the new year. Current prices for bulk butter range from 3 cents under to flat market based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
DEC 28	1.1198	1.1063	0.8376	1.1141	0.1744
	7,971,360	10,962,924	14,159,055	3,472,490	7,839,322

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices, following the trading activity at the CME, are generally higher, but the market tone is not as firm as price increases may indicate. Cheese demand was quite good for the holidays, but current orders are slowing as buyers use up existing inventories. Typically, demand for cheese does hold up quite well through January. In the East, cheese output is heavy, corresponding to the jump in surplus milk volumes. Retail orders are slower, but food service sales are holding up nicely. For the second consecutive week, wholesalers are confronted with a midweek holiday and delivery schedules are being adjusted accordingly.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2100-1.7050
Cheddar Single Daisies	:	1.1675-1.6325
Cheddar 40# Block	:	1.2875-1.5325
Process 5# Loaf	:	1.3275-1.5275
Process 5# Sliced	:	1.3475-1.5950
Muenster	:	1.3725-1.5775
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. The attempts to raise yearend inventory values were hampered by very heavy late year cheese production and offerings. Demand is extremely slow for December deliveries of most varieties but improved, depending on variety, for shipments early in the new year. Processors and packagers are again operating on holiday reduced schedules this week. Sellers are hopeful for good Super Bowl movement. The 2002 yearend price at the Chicago Mercantile Exchange for cash blocks was $1.1100 compared to $1.2600 at the end of 2001 and barrels closed at $1.1100 compared to 1.2550 in 2001. The un-weighted average of the 2002 weekly average Chicago Mercantile Exchange cash block prices was $1.1835 per pound compared to $1.4395 for 2001 (December 30, 2002 not included). Barrels averaged $1.1452 per pound in 2002 and $1.4053 in 2001. Heavy volumes of milk have backed up into manufacturing channels from bottlers during the holidays. Delays in unloading trucks were common at most plants.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2975-1.5200
Brick And/Or Muenster 5#	:	1.5900-1.7075
Cheddar 40# Block	:	1.5100-2.1150
Monterey Jack 10#	:	1.7700-2.1150
Blue 5#	:	1.9000-2.2700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4525-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9000-2.6850

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER		CHEESE
12/30/02	45,356	:	130,795
12/01/02	47,383	:	130,462
CHANGE	-2,027	:	333
% CHANGE	-4	:	N.C.

WEST

Cheese prices firmed somewhat after trading at the Mercantile Exchange last week, but they will most likely decline again after the market fell sharply this Monday. Surplus milk offerings were surprisingly heavy last week. Many contacts commented that more milk was available for processing that they had planned for and it was offered very late for efficient processing. Milk moved from California to Washington, Oregon, and Idaho to find processing capacity at deep discounts. Much of this ended up in cheese manufacturing and may have partially contributed to the weakness in blocks at the CME on Monday. Some plants took at least one day off last week, but most are planning to run flat out this week so as to not get caught again. Sales are certainly slow at the end of the year, but demand was generally rated as good for December overall. Some contacts noted that the milk futures market did not react as much as might be expected with almost a five cent decline in the cheese market.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2675-1.5275
Cheddar 40# Block	:	1.2775-1.4175
Cheddar 10# Cuts	:	1.4575-1.6725
Monterey Jack 10#	:	1.4675-1.6275
Grade A Swiss Cuts 6 - 9#	:	2.2600-2.4100

FOREIGN

Prices are steady to higher and the market tone is steady. Importers are waiting for their new, 2003 licenses to arrive and/or become active. However, the Euro is stronger against the U.S. dollar and this may impact purchasing decisions. During the first nine months of 2002, EU-15 cheese output is preliminarily set at 4.92 million MT, 1.1% more than the same period last year.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.3900	1.5050-2.9950*
Gorgonzola	3.2400-5.9400	2.0225-2.4900*
Parmesan (Italy)	TFEWR	2.9150-3.0050*
Romano (Italy)	2.1000-3.1900	-0-
Provolone (Italy)	3.4400-5.5000	1.5125-1.7400*
Romano (Cows Milk)	-0-	2.7025-4.8750*
Sardo Romano (Argentine)	2.8500-3.2900	-0-
Reggianito (Argentine)	2.6900-3.2900	-0-
Jarlsberg-(Brand)	2.7500-3.6900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.6000-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-2.9900	-0-
Gouda, Large	TFEWR	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	27	0	100	11	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk supplies remain heavy throughout the region. The second week of the two-week holiday period continues to give manufacturers heavy volumes of surplus milk. Northeastern plants are at or near capacity. However, a few cheese operations are running only four days this week. In the Southeast, manufacturers are also nearly full. Last week, quite a bit of Southwest milk was shipped into the Southeast for processing. This milk was all intra-company transactions. Bottled milk sales are poor, but bottlers are already preparing for the refilling of school lunch pipelines. Most will be in full swing on Thursday and continue heavy bottling through the weekend. It is somewhat unusual that the holidays fall at midweek and schools go back in session at the same time. Other years often see school re-openings a little more staggered so that bottlers can "spread out" their schedules. Milk production is about steady in all areas of the East. Some increases are being reported in the Southeast, but gains have been spotty. During this time of year, most contacts are busy moving and/or processing the surplus milk and have only cursory information on the milk flow this week. The condensed skim market is little changed, but some contacts expect Class II wet solids to reflect lower prices in the near future. Offerings of condensed skim are long and spot buyers are looking for the best price. The fluid cream market remains weak. Offerings are heavy and demand is fair at best. Volumes clearing to local and Midwest churning facilities remain heavy. In fact, one butter maker had tankers waiting to unload for several days due to lack of silo-space and processing capacity. Spot demand for Class II is light and prices steady to higher. Despite the long supply and slower demand for both cream and butter, the CME butter price increased last week and the weekly average jumped 2.33 cents. Eggnog production is essentially complete. Some producers do make small amounts year round, but the holiday orders have been filled. Ice cream output is slow to fair as some plants remain closed. Sour cream, bottled cream, and dip production has slowed, but should be fairly decent through January. Cream cheese output is about steady, but some producers are taking advantage of the relatively low priced cream and making some spot purchases.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.3680-1.4820
Delivered Equivalent Atlanta	-	1.3794-1.5276 M 1.3908-1.4136
F.O.B. Producing Plants: Upper Midwest	-	1.3680-1.5048

PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS
F.O.B. PRODUCING PLANTS:

Northeast- Class II - includes monthly formula prices	-	.9850-1.0300
Northeast- Class III - spot prices	-	.6800- .8700

M I D W E S T

Burdensome volumes of milk have backed up into manufacturing channels from bottlers and other users closed during the yearend holiday period. The timing of the holidays, midweek, was blamed as the worst part of the week for an extended holiday. Milk was putting on extra miles (on tankers) and unloading time delays were increasing at many plants in order to find a manufacturing home. A little breathing room from the glut occurred at a few plants early last weekend but heavy volumes soon returned. Some improvement in the situation was expected early in 2003 as some schools are scheduled to reopen on January 2 with most schools scheduled to reopen on the 6th. Limited retail promotions did not seem to stem the tide of the surplus early this week though more were planned for early January. Price discounts continued to increase with reported prices ranging from $1.00 to $3.00 under class delivered. Some milk was shipped from Wisconsin to a few other states in order to find a plant with processing capacity. Cream supplies were also long and tankers were also slow to get unloaded at most locations. Cream prices only changed minimally despite lower multiples. Current milk intakes from regular patrons/members seem to be little changed from recent weeks. Handlers are concerned that the low milk prices may force more producers to leave and are concerned about milk availability next fall. Minimal, if any, snow could be found through much of the upper tier of Midwest states, with much greater volume found in more central sections of the region. Record or near record high temperatures were found in many locations in the upper tier of states.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	N. A.	$ 36.00- 41.50
REPLACEMENT HEIFER CALVES	N. A.	$420.00-550.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	$ 35.00- 41.00	$ 36.00- 40.00

W E S T

November 2002 pool receipts of milk in CALIFORNIA total 2.83 billion pounds, 4.5% higher than the year prior. The November blend price, at a fat test of 3.77%, is $10.53, $0.36 lower than October and $2.40 lower than November 2001. The percentage of receipts used in Class 1 products is 19.11%. The November quota price is $11.44 and the over quota price is $9.74. These prices are $0.40 lower than October and $2.23 lower than a year earlier. Cumulative 2002 pool receipts through November are 5.9% higher than a year ago. Heavy volumes of surplus milk, typical over the end of year holidays, continue to extend problems for processors across California. Additionally, milk and components are leaving the state and normal channels to find processing homes. Fluid milk orders from bottlers were slowly redeveloping from the downturn over the holidays. The resumption of schools and colleges over the next few weeks will improve the bottled milk draw. The effects of continued rains in the northern milk producing areas are keeping local milk supplies lower and allowing plants to take more surplus loads than otherwise could be handled. In the Central Valley, milk production is still holding rather strong despite past wet and cooler conditions. Processors are running full to handle the milk volumes. In the far south, milk production reports are spotty and indicate limited effects of recent weather conditions. Plants are running full to handle the milk flow with no problems reported. ARIZONA milk production is flat seasonally with cooler and wetter conditions prevalent. Processing plants have been running full with milk from other states. Bottlers are adding milk in advance of orders. CREAM multiples are lower, in the 102 to 124 range, FOB. Butter churning was active at the end of December to help handle surplus cream offerings. Orders for other cream based products continue to be limited. Several ice cream producers are down for a few weeks. The butter price at the CME on the last trading date of the year was $1.1450. Storms every few days are common over much of the PACIFIC NORTHWEST. Temperatures remain mild. Not much impact has been noted on the milk flow due to the wet weather. Feed supplies remain adequate. Hay quality is deteriorating seasonally and this may have more of an impact on the milk flow as the winter season progresses. Currently, plants are running on extended schedules to process all of the surplus milk that is available. Offerings are much heavier than anticipated. Milk moved out of California into the NORTHWEST to find a home. Conditions are very moderate in UTAH and IDAHO. Little snow has fallen in the dairy areas of the two states and temperatures are quite mild. No added stress is reported on the dairy herds. A number of plants were not able to take any time off over the holidays because of the amount of surplus milk available.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to lower on a weak market. Offers are noted at a discount yet movement is very light as buyers anticipate more attractive prices as 2003 progresses. Some Central buyers with contracts in the West are disappointed that supplies are not readily available from this location and are seeking supplies from alternative sources. Sales to the CCC are noted from Central and West locations for the current week, encouraging some buyers to seek supplies from the government instead of direct from the manufacturer. Production is seasonally increasing and stocks are building on low heat. Supplies of high heat are mostly in balance for the good interest. Condensed skim trading is increasing into ice cream facilities as operations take advantage of other low cost inputs like cream.
EAST:
Prices are steady to lower. The national marketing agency has adjusted their pricing system to use a different, lower basing point during the month of January. Eastern prices are nominal. The market tone is generally unchanged. Spot sales are slow. There has been little spot activity in this market for the past two weeks. This is typical for the end of the year. Production levels are up in all plants as surplus milk volumes were a little heavier than many anticipated. However, late this week, bottlers were back on line, easing the volumes of surplus milk. Producers generally welcomed the extra milk since their NDM inventories were limited.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.8000 - .9500	MOSTLY: .8800 - .9300
HIGH HEAT:	.9175 - 1.0050	

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are lower. The market tone is weaker as producers adjust prices to move product to regular customers and not lose market share. Domestic buying interest is expected to improve as prices move closer to the support price of 80 cents and brokers/traders are stating there are more sales opportunities at those lower prices. Production schedules remain high over the holiday weeks and expected to be active until supplies return to normal. Condensed skim is moving around to find processing homes. Heavy volumes of NDM continue to clear to the price support program. During the week of December 23-27, CCC purchased 8,246,054 pounds of nonfortified NDM. High heat NDM prices are lower in light spot trading. Demand is limited due to holiday schedules of buyers' facilities and the expectation of lower future pricing.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.7950 - .9400	MOSTLY: .8000 - .8700
HIGH HEAT:	.8550 - .9200	

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
December 27	Data not available		
December 20	$.8294	13,409,442	9,515,701

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are lower on a weak market. Heavier milk supplies continue to encourage butter churning and buttermilk production. Inventories are building with some producers selling at the lower end of the range in order to compete with the West and clear heavy stocks. Interest is generally very light with activity anticipated to increase in the next few weeks. Some 2 year old product is clearing at reduced prices into the feed industry. Condensed buttermilk is readily available and offered to ice cream producers and dryers for the fair interest.

F.O.B. CENTRAL: .7200 - .8250

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are generally lower and the market tone is weak. Eastern prices remain nominal. With growing stocks and a light test of the spot market, some Eastern producers lowered prices this week. Churning activity is heavy and buttermilk output is up accordingly. Drying time is somewhat limited as most plants have skim to dry. Demand for liquid buttermilk is slow. Off grade powder remains available at discounted prices.

F.O.B. NORTHEAST:	.7500 - .8150
DELVD SOUTHEAST:	.7800 - .8350

DRY BUTTERMILK - WEST

Western dry buttermilk prices are holding mostly steady in a holiday shortened week. Buying interest has been very limited. Production is often higher as more butter is being churned and sales of condensed buttermilk are very slow. Stocks are available from most producers.

F.O.B. WEST: .7300 - .7800 MOSTLY: .7600 - .7750

DRY WHOLE MILK - NATIONAL

Prices and the market tone are steady. Prices remain nominal. Production is mostly steady at light levels. Most producers are busy trying to clear all the skim that is available. Producer stocks are balanced. However, offerings of imported dry whole milk are noted at competitive prices. Spot demand is light.

F.O.B. PRODUCING PLANT: 1.1000 - 1.1800

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH DECEMBER 27, 2002
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	42,626 MT (93,973,279 LBS)*
CHEESE	---	1,894 MT (4,175,512 LBS)*

* The second stage of the DEIP allocations is filled.

Allocations for the DEIP year beginning July 1, as announced September 13: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT. However, the second stage of this year's program was announced on November 15 and makes available, as part of the total allocation, an additional 25,576 MT of NDM, 7,912 MT of butterfat, and 1,137 MT of cheese.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged on a weak market. Due to heavier milk volumes over the holidays, whey production is increasing and stocks are building. Buyers are resistant to current prices yet some state that the bottom cannot be too far away. As a consequence, contract discussions for 2003 are commencing for some food and feed facilities, very belatedly. Some producers are having difficulty selling product at reduced prices and are hesitant to offer any lower until more buyer interest is noted. Movement into export markets is very slow. Trade activity is anticipated to increase in the next week as buyers and sellers resume normal work schedules. Condensed whey is readily available into some feed and WPC/lactose operations.

F.O.B. CENTRAL: .1650 - .1825 MOSTLY: .1650 - .1800

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly lower as the market tone remains weak. Eastern prices remain nominal and this marks the first week that Eastern Extra Grade and Grade A are combined into one range. Production levels have been increasing at most plants during the past two weeks. More surplus milk was available to Eastern cheese makers, but volumes are starting to ease now that Class I needs are getting back to normal. Producer stocks of dry whey are growing and some producers are offering discounted prices on block sales in an attempt to get demand “off the ground.” Traders and producers alike report little market activity this week.

F.O.B. NORTHEAST: includes Extra Grade & Grade A	.1725 - .2000
DELVD SOUTHEAST:	.1950 - .2050

DRY WHEY – WEST

Prices continue to soften on the Western whey mostly. Causes given for the weakness by contacts include: Heavy cheese/whey production for the last two weeks, slow domestic/export demand, and much more competition from Central States powder at attractive prices. Stocks are building for a number of Western producers. They are concerned that this situation could last a while because of the time of the year that the weakening undertone started. Many manufacturing plant operators were surprised at the amount of milk available for processing over the holiday weeks. Many loads had to travel great distances to find a processing home. There appears to be a weaker undertone to the market.

NONHYGROSCOPIC: .1800 - .2400 MOSTLY: .1950 - .2150

ANIMAL FEED WHEY - CENTRAL

Prices are lower on roller ground and milk replacer. The market tone is generally weak in conjunction with the Extra Grade market. Supplies of milk replacer are generally in balance with demand. Movement on roller ground is mostly contractual on steady production schedules. U.S. inventory of all hogs and pigs on December 1, 2002, was 58.9 million head, 1% percent below December 1, 2001, and 2% below September 1, 2002. Breeding inventory, at 6.01 million head, was down 3% from December 1, 2001, and down 1% from last quarter.

F.O.B. CENTRAL:

MILK REPLACER:	.1450 - .1600
ROLLER GROUND:	.1650 - .1950

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a mostly steady market. Trading is nominal and mostly contractual with resellers receiving regular shipments near the average for resale at slight premiums. Decreased production of 34% WPC in 2003 is anticipated to increase demand and pricing. However, supplies of 80% WPC remain plentiful for buyers that can substitute the higher protein for 34% WPC. Spot buyers are also somewhat resistant to purchases during the holiday season, encouraging producer inventories to build at some locations. Production of WPC is higher due to the increased milk volumes available over the holidays. Extra supplies of condensed WPC are clearing into some dryers. Off grade product is available for the fair interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .5100 - .5425 MOSTLY: .5100 - .5150

LACTOSE - CENTRAL AND WEST

Prices are higher on a steady market. While contracts settled higher for the first quarter, prices are not anticipated to firm in the short term. Traders are not certain of the implications of lower whey prices with respect to the lactose market. Lactose demand remains best on the higher mesh sizes. Lower mesh product in totes is readily available. Production is unchanged to higher due to the increased milk volumes processed over the holidays. Stocks of lactose are mixed. While some plants are reportedly sold out or tight on supplies, other locations have product to clear. Off grade lactose supplies are limited for the fair to good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
F.O.B. EDIBLE: .1550 - .2350 MOSTLY: .1550 - .1800

CASEIN - NATIONAL

Casein markets and prices are firm. Stocks of both acid and rennet are much the same as they were prior to the holidays. As the new year begins, producers and handlers do not anticipate too much recovery in supplies for the near term. European production will not resume for a few more months and Oceania output is not as positive as projected.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.9500 - 2.1000
ACID:	1.8000 - 1.9500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are moderate tone heavy as producers take advantage of the holiday surplus milk to replenish inventories. Demand is typically slow at this time of year. Most buyers are clearing their pre-holiday stocks.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $18.00 - 30.00
Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

CME - (CLASS III) MILK FUTURES -- Dollars per cwt

Month	12/18	12/19	12/20	12/23	12/24	12/25	12/26	12/27	12/30	12/31
										VOLUMES & INTEREST NOT AVAILABLE AT PRESSTIME.
DEC 02	9.76 (1927) 0	9.76 (1871) 39	9.76 (1870) 2	9.76 (1870) 0	9.76 (1852) 25	NO TRADING	9.75 (1850) 0	9.72 (1849) 112	9.70 (1857) 102	9.70
JAN 03	10.03 (1832) 27	10.10 (1846) 37	10.12 (1840) 13	10.15 (1840) 0	10.15 (1851) 41		10.22 (1929) 92	10.17 (1944) 177	10.00 (1943) 31	9.85
FEB 03	10.35 (1456) 43	10.41 (1460) 82	10.43 (1460) 10	10.50 (1460) 1	10.50 (1470) 14		10.54 (1546) 78	10.55 (1621) 120	10.40 (1765) 189	10.25
MAR 03	10.74 (1505) 51	10.80 (1512) 48	10.80 (1519) 16	10.89 (1521) 2	10.89 (1532) 23		11.00 (1560) 91	11.00 (1639) 106	10.92 (1682) 61	10.88
APR 03	11.13 (1244) 20	11.15 (1246) 50	11.15 (1263) 26	11.28 (1263) 0	11.28 (1265) 6		11.33 (1267) 6	11.27 (1300) 48	11.24 (1319) 42	11.20
MAY 03	11.54 (1223) 3	11.50 (1225) 15	11.48 (1272) 86	11.62 (1272) 0	11.62 (1273) 9		11.64 (1285) 13	11.59 (1308) 28	11.58 (1340) 37	11.58
JUN 03	12.16 (1121) 41	12.10 (1145) 42	12.08 (1203) 67	12.20 (1203) 0	12.20 (1209) 13		12.20 (1205) 25	12.20 (1217) 21	12.18 (1257) 49	12.21
JUL 03	12.60 (1040) 6	12.57 (1052) 40	12.57 (1091) 54	12.70 (1091) 0	12.70 (1097) 14		12.70 (1098) 12	12.65 (1120) 30	12.63 (1151) 35	12.70
AUG 03	12.94 (999) 3	12.92 (1016) 25	12.94 (1100) 87	13.05 (1100) 0	13.05 (1110) 13		13.05 (1113) 15	13.03 (1128) 19	13.01 (1188) 69	13.05
SEP 03	13.35 (1141) 3	13.32 (1144) 24	13.33 (1174) 37	13.40 (1174) 1	13.40 (1180) 10		13.40 (1185) 7	13.38 (1203) 40	13.36 (1262) 72	13.40
OCT 03	12.66 (841) 9	12.66 (838) 14	12.66 (836) 21	12.66 (836) 0	12.66 (842) 9		12.70 (845) 5	12.69 (856) 19	12.69 (883) 32	12.69
NOV 03	12.38 (669) 11	12.38 (672) 24	12.38 (673) 7	12.40 (673) 0	12.40 (673) 1		12.40 (673) 7	12.38 (683) 18	12.38 (710) 32	12.37
DEC 03	11.81 (502) 18	11.82 (500) 9	11.83 (496) 14	11.85 (496) 0	11.85 (496) 1		11.85 (496) 1	11.85 (505) 10	11.85 (513) 15	11.85
JAN 04	11.45 (15) 0	11.45 (16) 1	11.55 (16) 0	11.55 (16) 0	11.55 (16) 0		11.55 (16) 0	11.55 (16) 0	11.55 (16) 0	11.55
FEB 04	11.50 (14) 0	11.50 (14) 0	11.55 (14) 0	11.55 (14) 0	11.55 (14) 0		11.55 (14) 0	11.55 (14) 0	11.55 (14) 0	11.55
MAR 04	11.35 (7) 0	11.35 (7) 0	11.40 (7) 0	11.40 (7) 0	11.40 (7) 0		11.40 (7) 0	11.40 (7) 0	11.40 (7) 0	11.40
APR 04	11.20 (6) 0	11.20 (6) 0	11.30 (6) 0	11.30 (6) 0	11.30 (6) 0		11.30 (6) 0	11.30 (6) 0	11.30 (6) 0	11.30

CME - CLASS IV MILK FUTURES - Dollars per cwt.

Month	12/18	12/19	12/20	12/23	12/24	12/25	12/26	12/27	12/30	12/31
DEC 02	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	NO TRADING	10.55 (132) 0	10.55 (132) 0	10.55 (132) 0	10.55
JAN 03	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50 (59) 0		10.50 (59) 0	10.50 (59) 0	10.50 (59) 0	10.50
FEB 03	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55 (38) 0		10.55 (38) 0	10.55 (38) 0	10.55 (38) 0	10.55
MAR 03	10.50 (22) 0	10.50 (22) 0	10.50 (22) 0	10.50 (22) 0	10.50 (22) 0		10.50 (22) 0	10.50 (22) 0	10.50 (22) 0	10.50
APR 03	10.80 (12) 0	10.80 (12) 0	10.80 (12) 0	10.80 (12) 0	10.80 (12) 0		10.80 (12) 0	10.80 (12) 0	10.80 (12) 0	10.80
MAY 03	10.90 (7) 0	10.90 (7) 0	10.90 (7) 0	10.90 (7) 0	10.90 (7) 0		10.90 (7) 0	10.90 (7) 0	10.90 (7) 0	10.90
JUN 03	11.00 (4) 0	11.00 (4) 0	11.00 (4) 0	11.00 (4) 0	11.00 (4) 0		11.00 (4) 0	11.00 (4) 0	11.00 (4) 0	11.00
JUL 03	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30 (1) 0		11.30 (1) 0	11.30 (1) 0	11.30 (1) 0	11.30

CME - BUTTER FUTURES -- Cents per pound

Month	12/18	12/19	12/20	12/23	12/24	12/25	12/26	12/27	12/30	12/31
DEC 02	112.00 (37) 0	112.00 (28) 0								
MAR 03	122.25 (347) 0	122.25 (347) 3	126.00 (350) 12	127.00 (350) 0	127.00 (350) 0	NO TRADING	126.75 (351) 1	125.50 (353) 5	124.00 (354) 3	121.00
MAY 03	124.75 (217) 0	124.75 (221) 5	128.50 (232) 12	129.50 (232) 0	129.50 (232) 0		129.25 (232) 2	128.20 (240) 10	127.00 (241) 3	124.00
JUL 03	128.00 (129) 5	128.00 (130) 1	131.00 (130) 0	132.50 (130) 0	132.50 (130) 0		132.00 (130) 0	131.00 (147) 14	130.25 (157) 13	127.00
SEP 03	131.50 (58) 5	131.00 (58) 0	133.00 (58) 0	133.00 (58) 0	133.00 (58) 0		133.00 (60) 2	131.00 (60) 0	132.25 (62) 3	130.00
OCT 03	132.00 (21) 6		134.50 (21) 0	135.25 (21) 0	135.25 (21) 0		135.25 (21) 0	135.25 (21) 0	135.25 (24) 3	131.50

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered December 23, 2002 - January 3, 2003

Prices are U.S. $/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Weather conditions in most areas of Europe have been quite mild for this time of the year. Milk production patterns continue to follow trends of recent weeks, with most countries soon to realize seasonal production increases. The milk quota year end is three months away and many countries are in line with quota volumes, although reports indicate that producers in France and the UK will need to closely monitor and subsequently adjust their output as March 31 nears. Recent changes in issuance and timelines of export licenses, unchanged export refunds for a few weeks, a firm euro against the dollar, and firm, but stable product prices are some factors that traders are hoping will encourage international sales to occur. Prior to these unsettling situations, buyers and sellers were finding it very difficult to finalize sales. Prices for many manufactured dairy products have firmed during recent weeks, although additional firmness in skim milk powder could potentially jeopardize sales out of Europe. Traders and exporters are reporting that international prices are very near U.S. domestic skim milk powder prices. Knowing the large supply available in the U.S., European traders state that significant sales could occur out of the states without or with minimal help from DEIP, displacing their potential sales. European traders and handlers are voicing these conditions and their concerns to the Management Committee in hopes of no further reductions in export subsidies.

BUTTER/BUTTEROIL: European butter markets are generally steady, although prices are slightly higher. Stocks are available for both domestic and international buyer interest. Some buyer interest is report for product destined for Russia. It is still early in the winter months to speculate how active this buyer will be.

82% BUTTERFAT:	1,250 - 1,350
99% BUTTERFAT:	1,400 - 1,500

SKIM MILK POWDER (SMP): European skim milk powder markets are firm with prices generally higher. Recent reductions in export subsidies have caused prices to firm to current levels. Traders and handlers are closely monitoring where current prices are in relationship to domestic powder prices in the U.S. At current levels, some European prices are very near and in instances, slightly higher than U.S. prices. This potentially could limit sales out of Europe. Stocks of powder in the states are readily available at or very near current price levels and potentially, sales may be able to be finalized without the assistance of DEIP.

1.25% BUTTERFAT:	1,725 - 1,800

WHOLE MILK POWDER (WMP): Whole milk powder markets are firm, although prices have not firmed as greatly as skim milk powder. Traders indicate that recent subsidy reductions are a major contributor to firmer prices. Stocks of powder are available for potential buyer needs. Buying interest is occurring, but is difficult to finalize due to fluctuating prices, suspension of license applications, and timeliness of licenses issued after the first of the new year.

26% BUTTERFAT:	1,700 - 1,820

SWEET WHEY POWDER: Whey prices are steady to higher. Cheese production is seasonally heavier, thus generating additional whey volumes. Stocks of whey are available for both domestic and international needs. Overall buying interest is light.

NONHYGROSCOPIC:	450 - 500

OVERVIEW: EASTERN EUROPE: As the winter season develops in Eastern Europe, milk production continues to basically hold at low seasonal levels. Producers and handlers of manufactured dairy products are making due with inventoried product until the start of the new milk production season. In some Eastern European countries, stocks of dairy products are low enough that some handlers are looking to other countries for supplemental volumes to carry them through the winter season.

OCEANIA

OVERVIEW: Recent changes in European export subsidies, changes in export license requirements and timelines, and a firm Euro are giving strength to Oceania prices and product demand. Some Oceania producers and handlers are surprised that price strength within the Oceania region is not as strong as could be. But on the other hand, they are fully aware of their milk production season and how their dairy product supply/demand situation is in relationship to a not so positive milk volume outlook. Most dairy product producers and handlers indicate that much of their current supply is fully committed and raising prices would have minimal impact on spot sales. Often, buyers that were accustomed to procuring their needs from the Oceania region above contracted volumes are now concerned if their need will be able to be filled from New Zealand and/or Australia. The milk production season in New Zealand is running about 1.5% ahead of last year at this time, but milk handlers are stating that the current season has not yet peaked and the last half of the season could be less positive. In Australia, some much needed moisture has fallen in some areas, but not significant enough to replenish depleted moisture tables. Up to this point, milk production is running 9 – 10% behind last season, but in line with milk output during the 98-99 production season. The current holiday period is a time of the year when sales are typically lighter and Oceania traders are indicating that conditions are much the same this year. They attribute slower sales to the holidays, but also to the knowledge of most buyers on Oceania's supply situation. There is some reported spot buyer interest that is going unfilled at this time.

BUTTER: Oceania butter markets are generally steady at unchanged prices. Current churning activity is seasonally active, although cream availability has been lighter in some areas due to improved cream sales for holiday based domestic needs. Stocks of butter for domestic and international needs are in close balance with surplus volumes limited. Producers and handlers are comfortable with their supply/demand situation at this time.

82% BUTTERFAT:	1,100 - 1,250

CHEDDAR CHEESE: Cheese markets and prices are generally unchanged. In most instances, production schedules are in line with projected sales and shipments. Stocks of cheese are reported to be in balance with demand. Current buying interest continues to center around ongoing and regular buyers.

39% MAXIMUM MOISTURE:	1,650 - 1,750

SKIM MILK POWDER (SMP): Oceania skim milk powder markets and prices are firm. Current firmness is occurring due to firmer prices in Europe. Stocks of powder in Australia and New Zealand are reported to be in close balance with surplus volumes for spot sale very limited if available at all. Producers and handlers have earmarked a significant portion of early season's production and now are faced with meeting timely shipments. International buying interest is active, although most buyers know that the Oceania region has limited volumes above and beyond contractual commitments.

1.25% BUTTERFAT:	1,600 - 1,700

WHOLE MILK POWDER (WMP): Oceania whole milk powder markets are steady to firm. Recent price adjustments in Europe are giving strength to Oceania prices. Stocks of whole milk powder are reported to be in close balance with needs. Often, producers indicate that additional stocks for spot sale are limited at this time. In instances, some producers are optimistic and are stating that product may be available later in the season.

26% BUTTERFAT:	1,600 - 1,675

Exchange rates for selected foreign currencies: December 30, 2002

.6344 Canadian Dollar	.0209 Indian Rupee
.2972 Argentina Peso	.5256 New Zealand Dollar
.0958 Mexican Peso	.5648 Australian Dollar
.2608 Polish Zloty	.0084 Japanese Yen
	1.0483 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0958)= 10.4384. That is 1 US Dollar equals 10.4384 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2002 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 49	REPORT NUMBER 50	REPORT NUMBER 51	REPORT NUMBER 52	REPORT NUMBER 1		2002 Average or Total	2001 Average or Total
	DEC 02 - 06	DEC 09 - 13	DEC 16 - 20	DEC 23 - 27	DEC 30 - 31			
CHEESE								
MIDWEST COMMODITY CHEDDAR								
-- Cheddar Barrels	1.1025 - 1.1125	1.1125 - 1.1225	1.1050 - 1.1150	1.1050 - 1.1225	1.1225 - 1.1400	*	1.1139	1.2663
-- Cheddar 40# Blocks	1.1475 - 1.1725	1.1650 - 1.1900	1.1300 - 1.1625	1.1325 - 1.1725	1.1475 - 1.1875	*	1.1602	1.2910
WISCONSIN (WSP, Delivered, LTL)								
-- Process American 5# Loaf	1.2775 - 1.5200	1.3275 - 1.5200	1.2800 - 1.5200	1.2800 - 1.5200	1.2975 - 1.5200		1.4062	1.6516
-- Brick And/Or Muenster 5#	1.5900 - 1.6825	1.5900 - 1.7000	1.5900 - 1.6725	1.5900 - 1.6925	1.5900 - 1.7075		1.6393	1.7717
-- Cheddar 40# Block	1.4950 - 2.1150	1.5100 - 2.1150	1.4850 - 2.1150	1.5050 - 2.1150	1.5100 - 2.1150		1.8073	1.8809
-- Monterey Jack 10#	1.7475 - 2.1150	1.7650 - 2.1150	1.7375 - 2.1150	1.7575 - 2.1150	1.7700 - 2.1150		1.9342	1.9908
-- Blue 5#	1.8750 - 2.2700	1.8925 - 2.2700	1.8650 - 2.2700	1.8850 - 2.2700	1.9000 - 2.2700		2.0755	2.1977
-- Mozzarella 5 - 6#	1.4275 - 2.2150	1.4450 - 2.2150	1.4175 - 2.2150	1.4375 - 2.2150	1.4525 - 2.2150		1.8243	1.9369
-- Grade A Swiss Cuts 6 - 9#	1.9000 - 2.6850	1.9000 - 2.6850	1.9000 - 2.6850	1.9000 - 2.6850	1.9000 - 2.6850		2.2925	2.3538
NORTHEAST (WSP, Delivered, LTL)								
-- Cheddar 10# Prints	1.1850 - 1.6800	1.2025 - 1.6975	1.1750 - 1.6700	1.1950 - 1.6900	1.2100 - 1.7050		1.4386	1.5539
-- Cheddar Single Daisies	1.1425 - 1.6025	1.1600 - 1.6200	1.1325 - 1.5975	1.1525 - 1.6175	1.1675 - 1.6325		1.3799	1.5064
-- Cheddar 40# Block	1.2625 - 1.4925	1.2800 - 1.5100	1.2525 - 1.4975	1.2725 - 1.5175	1.2875 - 1.5325		1.3875	1.5064
-- Process 5# Loaf	1.3075 - 1.5075	1.3175 - 1.5175	1.3100 - 1.5100	1.3100 - 1.5100	1.3275 - 1.5275		1.4129	1.5493
-- Process 5# Sliced	1.3275 - 1.5750	1.3375 - 1.5850	1.3300 - 1.5775	1.3300 - 1.5775	1.3475 - 1.5950		1.4566	1.6171
-- Muenster	1.3475 - 1.5525	1.3650 - 1.5700	1.3375 - 1.5425	1.3575 - 1.5625	1.3725 - 1.5775		1.4561	1.5826
-- Grade A Swiss Cuts 10 - 14#	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500	2.3500 - 2.5500		2.4500	2.4500
WEST COAST (WSP, Delivered, LTL)								
-- Process 5# Loaf	1.2475 - 1.5075	1.2575 - 1.5175	1.2500 - 1.5100	1.2500 - 1.5100	1.2675 - 1.5275		1.3829	1.5434
-- Cheddar 40# Block	1.2500 - 1.3900	1.2675 - 1.4075	1.2425 - 1.3825	1.2625 - 1.4025	1.2775 - 1.4175		1.3274	1.4722
-- Cheddar 10# Cuts	1.4300 - 1.6500	1.4475 - 1.6675	1.4225 - 1.6425	1.4425 - 1.6625	1.4575 - 1.6725		1.5471	1.6838
-- Monterey Jack 10#	1.4400 - 1.6000	1.4575 - 1.6175	1.4325 - 1.5925	1.4525 - 1.6125	1.4675 - 1.6275		1.5274	1.6638
-- Grade A Swiss Cuts 6 - 9#	2.2600 - 2.4100	2.2600 - 2.4100	2.2600 - 2.4100	2.2600 - 2.4100	2.2600 - 2.4100		2.3350	2.4450
FLUID AND DRY PRODUCTS								
SPOT PRICES OF CLASS II CREAM ($ per lb. butterfat)								
-- Northeast - f.o.b	1.4065 - 1.5284	1.4208 - 1.5318	1.3996 - 1.5107	1.3400 - 1.4517	1.3680 - 1.4820		1.4489	1.6734
-- Atlanta - dlvd. equiv.	1.4287 - 1.5284	1.4319 - 1.5318	1.4218 - 1.5329	1.3735 - 1.5187	1.3794 - 1.5276		1.4705	1.6767
-- Upper Midwest - f.o.b	1.3733 - 1.5505	1.3764 - 1.5096	1.3107 - 1.4996	1.3624 - 1.5075	1.3680 - 1.5048		1.4363	1.6572
PRICES OF CONDENSED SKIM - NORTHEAST ($ per lb. wet solids) - f.o.b.								
-- Class II	0.9850 - 1.0300	0.9850 - 1.0300	0.9850 - 1.0300	0.9850 - 1.0300	0.9850 - 1.0300		1.0075	1.0400
-- Class III	0.8700 - 0.9400	0.8050 - 0.8900	0.8050 - 0.8900	0.7000 - 0.8700	0.6800 - 0.8700		0.8424	1.0173
NATIONAL EVAPORATED MILK ($ per Case)								
(Case - 48 - 12 fluid oz cans)								
-- Delivered Major U.S. Cities	18.0000 -30.0000	18.0000 -30.0000	18.0000 -30.0000	18.0000 -30.0000	18.0000 -30.0000		24.0000	26.0000

MONTHLY SUMMARY AND AVERAGES FOR DECEMBER 2002 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 49 DEC 02 - 06	REPORT NUMBER 50 DEC 09 - 13	REPORT NUMBER 51 DEC 16 - 20	REPORT NUMBER 52 DEC 23 - 27	REPORT NUMBER 1 DEC 30 - 31	2002 Average or Total	2001 Average or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	0.9400 - 0.9850	0.8000 - 0.9850	0.8000 - 0.9850	0.8000 - 0.9850	0.8000 - 0.9500	0.9075	N.A.
-- Mostly	0.9550 - 0.9675	0.9550 - 0.9675	0.8900 - 0.9675	0.8900 - 0.9675	0.8800 - 0.9300	0.9420	N.A.
-- High Heat	0.9725 - 1.0400	0.9725 - 1.0400	0.9725 - 1.0400	0.9725 - 1.0400	0.9175 - 1.0050	1.0020	N.A.
-- West (f.o.b.)							
-- Low/Medium Heat	0.7950 - 0.9500	0.7950 - 0.9500	0.7950 - 0.9475	0.7950 - 0.9475	0.7950 - 0.9400	0.8715	0.9591
-- Mostly	0.8200 - 0.9200	0.8000 - 0.9200	0.8000 - 0.9200	0.8000 - 0.9200	0.8000 - 0.8700	0.8600	0.9184
-- High Heat	0.9300 - 0.9700	0.8900 - 0.9700	0.8800 - 0.9700	0.8800 - 0.9700	0.8550 - 0.9200	0.9286	0.9875
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1800 - 0.2050	0.1775 - 0.1925	0.1650 - 0.1900	0.1650 - 0.1825	0.1650 - 0.1825	0.1818	0.3016
-- Mostly	0.1850 - 0.2000	0.1800 - 0.1875	0.1750 - 0.1800	0.1650 - 0.1800	0.1650 - 0.1800	0.1811	0.2975
-- West (f.o.b.)	0.1900 - 0.2350	0.1900 - 0.2350	0.1800 - 0.2400	0.1800 - 0.2400	0.1800 - 0.2400	0.2112	0.2656
-- Mostly	0.2125 - 0.2275	0.2125 - 0.2275	0.2050 - 0.2275	0.2050 - 0.2200	0.1950 - 0.2150	0.2163	0.2641
-- Northeast Extra Grade (f.o.b.)	0.2000 - 0.2175	0.1975 - 0.2025	0.1900 - 0.1950	0.1825 - 0.1850	0.1725 - 0.1800 *	0.1949	0.2975
-- Northeast Usph Grade A(f.o.b.)	0.2000 - 0.2250	0.2000 - 0.2175	0.1975 - 0.2100	0.1925 - 0.2075	0.1875 - 0.2000 *	0.2054	0.3063
-- Southeast Extra Grade (Delvd)	0.2150 - 0.2425	0.2100 - 0.2275	0.1950 - 0.2175	0.1950 - 0.2075	0.1950 - 0.2050	0.2130	0.3253
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.5100 - 0.5300	0.5100 - 0.5425	0.5100 - 0.5425	0.5100 - 0.5425	0.5100 - 0.5425	0.5248	0.6984
-- Mostly	0.5100 - 0.5150	0.5100 - 0.5150	0.5100 - 0.5150	0.5100 - 0.5150	0.5100 - 0.5150	0.5125	0.7081
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1600 - 0.1800	0.1550 - 0.1700	0.1500 - 0.1600	0.1475 - 0.1600	0.1450 - 0.1600	0.1599	0.2669
-- Roller Ground	0.1975 - 0.2300	0.1825 - 0.2150	0.1750 - 0.2050	0.1675 - 0.2000	0.1650 - 0.1950	0.1956	0.2888
-- Delactose	0.3225 - 0.3500	0.3225 - 0.3500	0.3225 - 0.3500	0.3225 - 0.3500	0.3225 - 0.3500*	0.3363	0.4225
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.8000 - 0.8500	0.8000 - 0.8500	0.8000 - 0.8500	0.8000 - 0.8500	0.7200 - 0.8250	0.8200	1.0465
-- West (f.o.b.)	0.7500 - 0.7900	0.7500 - 0.7900	0.7500 - 0.7800	0.7300 - 0.7800	0.7300 - 0.7800	0.7645	1.0513
-- Mostly	0.7700 - 0.7800	0.7700 - 0.7800	0.7700 - 0.7800	0.7600 - 0.7750	0.7600 - 0.7750	0.7729	1.0375
-- Northeast (f.o.b.)	0.7800 - 0.8350	0.7800 - 0.8350	0.7800 - 0.8350	0.7800 - 0.8350	0.7500 - 0.8150	0.8051	1.0250
-- Southeast (Delvd)	0.8100 - 0.8550	0.8100 - 0.8550	0.8100 - 0.8550	0.8100 - 0.8550	0.7800 - 0.8350	0.8301	1.0644
WHOLE MILK POWDER							
-- National (f.o.b.)	1.1000 - 1.1800	1.1000 - 1.1800	1.1000 - 1.1800	1.1000 - 1.1800	1.1000 - 1.1800	1.1400	1.2250
LACTOSE							
-- Central And West (f.o.b.)	0.1500 - 0.2275	0.1500 - 0.2275	0.1500 - 0.2275	0.1500 - 0.2275	0.1550 - 0.2350	0.1893	0.2338
-- Mostly	0.1550 - 0.1750	0.1550 - 0.1750	0.1550 - 0.1750	0.1550 - 0.1750	0.1550 - 0.1800	0.1652	0.2178
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	1.8500 - 2.1000	1.8500 - 2.1000	1.8500 - 2.1000	1.8500 - 2.1000	1.9500 - 2.1000	1.9798	2.5580
-- Nonrestricted - Acid	1.6500 - 1.9500	1.6500 - 1.9500	1.6500 - 1.9500	1.6500 - 1.9500	1.8000 - 1.9500	1.8071	2.5363

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

* These price ranges were discontinued as of Report Number 1, but prices were entered for averaging purposes.

CHICAGO MERCANTILE EXCHANGE AVERAGES FOR DECEMBER 2002

COMMODITY	REPORT NUMBER 49 DEC 2 - 6	REPORT NUMBER 50 DEC 9 - 13	REPORT NUMBER 51 DEC 16 - 20	REPORT NUMBER 52 DEC 23 - 27	REPORT NUMBER 1 DEC 30 - 31	2002 * Monthly Average	2001 * Monthly Average
BUTTER*							
-- GRADE AA							
--Monday	1.1100	1.1100	1.1125	1.1350	1.1450		
--Tuesday							
--Wednesday	1.1100	1.1100	1.1125	#	#		
--Thursday							
--Friday	1.1100	1.1125	1.1250	1.1450		1.1198	1.2793
--Weekly Average**	1.1100	1.1108	1.1167	1.1400			
CHEESE*							
-- BARRELS							
--Monday	1.1100	1.1000	1.1000	1.1125	1.1100		
--Tuesday	1.1125	1.1000	1.1000	#	#		
--Wednesday	1.1125	1.1000	1.1000	#			
--Thursday	1.1025	1.1000	1.1000	1.1200			
--Friday	1.1000	1.1000	1.1050	1.1200		1.1055	1.2500
--Weekly Average**	1.1075	1.1000	1.1010	1.1175			
-- 40# BLOCKS							
--Monday	1.1400	1.1225	1.1300	1.1400	1.1100		
--Tuesday	1.1400	1.1050	1.1300	#	#		
--Wednesday	1.1400	1.1000	1.1300	#			
--Thursday	1.1400	1.1100	1.1350	1.1500			
--Friday	1.1400	1.1300	1.1400	1.1575		1.1311	1.2567
--Weekly Average**	1.1400	1.1135	1.1330	1.1492			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	0.9150	0.9150	0.9100	0.9100	0.9100		
--Tuesday	0.9150	0.9150	0.9100	#	#		
--Wednesday	0.9150	0.9150	0.9100	#			
--Thursday	0.9150	0.9150	0.9100	0.9100			
--Friday	0.9150	0.9150	0.9100	0.9100		0.9126	0.9900
--Weekly Average**	0.9150	0.9150	0.9100	0.9100			
-- GRADE A							
--Monday	0.9300	0.9300	0.9100	0.9100	0.9100		
--Tuesday	0.9300	0.9300	0.9100	#	#		
--Wednesday	0.9300	0.9300	0.9100	#			
--Thursday	0.9300	0.9300	0.9100	0.9100			
--Friday	0.9300	0.9300	0.9100	0.9100		0.9205	1.0000
--Weekly Average**	0.9300	0.9300	0.9100	0.9100			

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.
** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.
# The CME was closed.

D E C E M B E R 2002 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
	NONFAT DRY MILK			
JULY 2002 – NOVEMBER 2002		42,626		
DECEMBER 1 - 31, 2002		0		
JULY 2002 – DECEMBER 2002		42,626		
	CHEESE			
JULY 2002 - NOVEMBER 2002		1,894		
DECEMBER 1 – 31, 2002		0		
JULY 2002 – DECEMBER 2002		1,894		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V-VARIETAL				
	BUTTERFAT			
JULY 2002 –NOVEMBER 2002		N/A		
DECEMBER 1 - 31, 2002		0		
JULY 2002 – DECEMBER 2002		0		
A-ANHYDROUS MILKFAT, B-BUTTER				
				PROGRAM TO DATE
	TOTAL MT			44,520
	TOTAL BONUS VALUE			$19,984,946

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

Allocations for the DEIP year beginning July 1, 2002: Nonfat Dry Milk – 68,201 MT; Cheese – 3, 030 MT; Butterfat – 21, 097 MT

Allocations are being announced in stages. Stage one was for 17.050 MT of Nonfat Dry Milk, 5,274 MT of Butter and 757 MT of Cheese. Stage two was for 17.050 MT of Nonfat Dry Milk, 5,274 MT of Butter and 757 MT of Cheese. Invitations were announced only for Cheese and Nonfat Dry Milk and volumes are already filled.

DECEMBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in December 2002 was unchanged at 125. Compared with December 2001, the index was up 3 points (2.5 percent). The index of prices received by farmers for dairy products advanced 1 point during the month of December 2002 to 91. Compared with December 2001, the index was down 12 points (11.7 percent).

Prices received by farmers in December with changes from November were: for All Milk, $11.90 per hundredweight (cwt.), up $.10; Fluid Grade Milk, $11.90 per cwt., unchanged; and for Manufacturing Grade Milk, $10.50 per cwt., down $.10.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., DECEMBER 2002 WITH COMPARISONS*

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	NOVEMBER		DECEMBER		DECEMBER		DECEMBER		DECEMBER	
	2002 2/	2001 2/	2002 4/	2001 2/	2002	2001	2002 7/	2001 8/	2002	2001
CA	10.30	12.89	10.50	12.30			34.50	35.00	95.00	115.00
ID	11.00	12.60	11.10	12.60			31.20	34.10	94.00	118.00
MI	11.90	14.80	11.90	13.50	PRICES		34.50	38.00	99.00	79.00
MN	12.10	14.20	12.10	13.70	PUBLISHED		37.00	36.80	70.00	61.00
NM	12.20	14.60	12.20	13.50	JANUARY,		35.70	39.50	140.00	131.00
NY	12.60	15.20	12.60	14.00	APRIL,		---	---	110.00	100.00
PA	13.90	16.80	14.00	14.90	JULY AND		35.70	38.50	137.00	119.00
TX	13.20	15.60	13.10	14.30	OCTOBER		33.70	36.50	68.00	70.00
WA	11.80	14.60	11.80	13.50			---	---	111.00	120.00
WI	12.00	13.90	12.00	13.60			34.10	35.60	74.00	61.00
U.S.	11.80	14.40	11.90	13.50			34.20	36.00	92.60	95.60

*Please note that the States shown have been revised--New Mexico has been added, Ohio has been dropped. The intent is to show information for the 10 States with the largest volumes of milk production. 1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., DECEMBER 2002 WITH COMPARISON

ITEM	DECEMBER 2001	NOVEMBER 2002 1/	DECEMBER 2002 2/
PRICES RECEIVED BY FARMERS, dol. per cwt., at reported butterfat test:			
All milk	13.50	11.80	11.90
Fluid grade milk	13.50	11.90	11.90
Manufacturing grade milk	12.50	10.60	10.50
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	93	98	97
Prices received by farmers for dairy products	103	90	91
Prices paid by farmers for commodities and services, interest taxes, and wage rates	122	125	125
Prices paid by farmers for production items	117	121	121
Prices paid by farmers for feed	109	117	116
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	2.99	2.43	2.45

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and all wheat.

SOURCE: "Agricultural Prices," Pr 1 (12/02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, JANUARY 2003, WITH COMPARISONS1/

CITY	January 2001			January 2002			December 2002			January 2003		
	Announced Coop.	Federal Order	Differ-ence	Announced Coop.	Federal Order	Differ-ence	Announced Coop.	Federal Order	Differ-ence	Announced Coop.	Federal Order	Differ-ence
	Dollars Per Hundredweight, 3.5% Butterfat											
Atlanta, GA	18.17	17.09	1.08	16.25	15.06	1.19	15.55	13.62	1.93	15.59	13.66	1.93
Baltimore, MD	18.74	16.99	1.75	16.71	14.96	1.75	15.27	13.52	1.75	15.16	13.56	1.60
Boise, ID 2/	15.84	15.59	0.25	13.56	13.56	0.00	12.42	12.12	0.30	12.46	12.16	0.30
Boston, MA	17.72	17.24	0.48	16.81	15.21	1.60	15.17	13.77	1.40	15.21	13.81	1.40
Charlotte, NC	18.17	17.09	1.08	16.25	15.06	1.19	15.55	13.62	1.93	15.59	13.66	1.93
Chicago, IL	17.74	15.79	1.95	15.73	13.76	1.97	14.38	12.32	2.06	14.59	12.36	2.23
Cincinnati, OH	17.97	16.19	1.78	15.76	14.16	1.60	14.29	12.72	1.57	14.33	12.76	1.57
Cleveland, OH	17.77	15.99	1.78	15.56	13.96	1.60	14.09	12.52	1.57	14.13	12.56	1.57
Dallas, TX	16.99	16.99	0.00	15.82	14.96	0.86	14.82	13.52	1.30	14.86	13.56	1.30
Denver, CO	17.24	16.54	0.70	15.36	14.51	0.85	13.92	13.07	0.85	13.96	13.11	0.85
Des Moines, IA	16.85	15.79	1.06	14.91	13.76	1.15	13.70	12.32	1.38	13.74	12.36	1.38
Detroit, MI	16.79	15.79	1.00	15.03	13.76	1.27	13.50	12.32	1.18	13.50	12.36	1.14
Hartford, CT	17.62	17.14	0.48	16.71	15.11	1.60	15.07	13.67	1.40	15.11	13.71	1.40
Houston, TX	17.59	17.59	0.00	16.42	15.56	0.86	15.42	14.12	1.30	15.46	14.16	1.30
Indianapolis, IN	17.77	15.99	1.78	15.56	13.96	1.60	14.09	12.52	1.57	14.13	12.56	1.57
Kansas City, MO	16.95	15.99	0.96	15.11	13.96	1.15	14.29	12.52	1.77	14.33	12.56	1.77
Louisville, KY	17.19	16.19	1.00	15.16	14.16	1.00	13.82	12.72	1.10	13.86	12.76	1.10
Memphis, TN	17.47	16.79	0.68	15.75	14.76	0.99	15.05	13.32	1.73	15.09	13.36	1.73
Miami, FL	20.68	18.29	2.39	18.76	16.26	2.50	17.96	14.82	3.14	18.00	14.86	3.14
Milwaukee, WI	17.84	15.74	2.10	15.83	13.71	2.12	14.48	12.27	2.21	14.69	12.31	2.38
Minneapolis, MN	17.05	15.69	1.36	15.34	13.66	1.68	13.83	12.22	1.61	14.04	12.26	1.78
New Orleans, LA	18.32	17.59	0.73	16.40	15.56	0.84	15.70	14.12	1.58	15.74	14.16	1.58
Oklahoma City, OK	17.39	16.59	0.80	15.61	14.56	1.05	14.77	13.12	1.65	14.81	13.16	1.65
Omaha, NE	16.90	15.84	1.06	14.96	13.81	1.15	13.75	12.37	1.38	13.79	12.41	1.38
Philadelphia, PA	18.91	17.04	1.87	16.88	15.01	1.87	15.44	13.57	1.87	15.33	13.61	1.72
Phoenix, AZ	16.49	16.34	0.15	14.46	14.31	0.15	13.02	12.87	0.15	13.06	12.91	0.15
Pittsburgh, PA	18.29	16.09	2.20	16.06	14.06	2.00	14.58	12.62	1.96	14.47	12.66	1.81
St. Louis, MO	17.70	15.99	1.71	15.21	13.96	1.25	13.77	12.52	1.25	13.81	12.56	1.25
Salt Lake City, UT	16.14	15.89	0.25	14.16	13.86	0.30	12.72	12.42	0.30	12.76	12.46	0.30
Seattle, WA	16.31	15.89	0.42	14.28	13.86	0.42	12.84	12.42	0.42	12.88	12.46	0.42
Springfield, MO	16.99	16.19	0.80	14.96	14.16	0.80	14.37	12.72	1.65	14.41	12.76	1.65
Washington, DC	18.74	16.99	1.75	16.71	14.96	1.75	15.27	13.52	1.75	15.16	13.56	1.60
Simple Average	17.57	16.47	1.10	15.69	14.44	1.25	14.47	13.00	1.47	14.50	13.04	1.46

1/ This table contains information obtained from the Class I price announcements sent by the major cooperative in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers. 2/ The information for this city is being reported now; the information for Spokane, WA has been discontinued.

U.S. IMPORTS AND EXPORTS OF DAIRY PRODUCTS, 2000-2001 ANNUAL, JANUARY-SEPTEMBER 2002

COMMODITY SUMMARY OF U.S. IMPORTS OF DAIRY PRODUCTS 1/

Commodity	Quantity (1,000 Metric Tons)			Value ($ Million)		
	2000	2001	Jan.-Sep. 2002	2000	2001	Jan.-Sep. 2002
Milk and Cream 2/	8.3	12.9	1.6	9.2	14.9	5.0
Ice Cream	1.6	2.2	0.0	3.8	4.4	0.5
Dry Milk	8.5	8.1	9.0	14.8	16.1	14.8
Dry Whey	15.6	19.9	14.9	15.7	15.2	9.5
Cheese	188.7	201.8	156.7	685.3	745.8	565.8
Butter & Milkfat	13.7	34.6	11.1	21.5	55.2	18.1
Casein	120.0	106.8	75.0	499.5	525.0	325.8
Milk Protein Concentrate	52.9	28.5	26.1	153.4	101.1	91.6
Other Dairy Products 3/	---	---	---	129.8	178.0	156.4
Total 3/	---	---	---	1,533.0	1,655.7	1,187.5

1/ Data may differ from U.S. Customs Service data, which is used to administer dairy import quotas. Differences are due to transshipments, errors in classification, and processing lags. 2/ Quantity shown in million liters; includes yogurt. 3/ Quantity not shown as data are reported in mixed units.

COMMODITY SUMMARY OF U.S. EXPORTS OF DAIRY PRODUCTS

Commodity	Quantity (1,000 Metric Tons)			Value ($ Million)		
	2000	2001	Jan.-Sep. 2002	2000	2001	Jan.-Sep. 2002
Nonfat Dry Milk	84.3	96.2	45.1	136.6	189.5	68.3
Condensed & Evaporated Milk	5.2	10.7	7.2	4.3	9.8	6.7
Dry Whole Milk & Cream	25.4	46.0	16.2	37.8	56.0	20.8
Fluid Milk & Cream 1/	23.3	25.8	16.7	20.0	21.7	15.0
Yogurt & Other Fermented Milk 2/	---	---	---	8.2	10.3	10.4
Butter & Milkfat	8.2	3.8	2.9	7.5	5.3	4.2
Ice Cream	39.4	40.1	31.1	84.8	83.4	61.7
Cheese & Curd	47.8	52.5	40.8	141.3	162.0	122.2
Casein	4.9	3.4	1.8	48.1	19.1	7.7
Whey 2/	---	---	---	155.8	144.3	110.6
Other Dairy Products 2/	---	---	---	328.0	364.6	246.7
Total 2/	---	---	---	972.4	1,066.0	674.3

1/ Quantity shown in million liters. 2/ Quantity not shown as data are reported in mixed units.

SOURCE: "Dairy: World Markets and Trade", FD 2-02, December 2002, U.S. Department of Agriculture, Foreign Agricultural Service, Washington, DC. Data provided by U.S. Bureau of the Census. For further information, contact Arthur Coffing at (202) 720-3761.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF DECEMBER 30 – 31, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 12/27/02	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	343,714	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	296,019	-0-	-0-	-0-
Process	-0-	-0-	-0-	4,910,400	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	5,550,133	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	5,972,837	877,762	5,095,075	104,007,439	76,967,634	1,009,633,000	657,419,000
Fortified	-0-	-0-	-0-	-0-	-0-	46,391,000	38,227,000
TOTAL	5,972,837	877,762	5,095,075	104,007,439	76,967,634	1,056,024,000	695,646,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF DECEMBER 30 - 31, 2002 =	1.1	59.3	COMPARABLE PERIOD IN 2001 =	1.5	79.0
CUMULATIVE SINCE OCTOBER 1, 2002 =	74.1	1,265.6	CUMULATIVE SAME PERIOD LAST YEAR =	16.9	895.0
CUMULATIVE JANUARY 1 – DECEMBER 31, 2002 =	268.7	8,045.2	COMPARABLE CALENDAR YEAR 2001 =	90.4	4,166.2

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF DECEMBER 30 - 31, 2002 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	483,138	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	4,611,937	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
MIDWEST	-0-	-0-	4,910,400	-0-	1,498,304	-0-	61.6	-0-
WEST	-0-	-0-	639,733	-0-	102,509,135	76,967,634	38.4	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	5,550,133	-0-	104,007,439	76,967,634	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - $9.90 per cwt.

BUTTER Bulk $1.0500 per pound; 1# Prints $1.0850
CHEESE 40 & 60# Blocks $1.1314 per pound; 500# Barrels $1.1014; Process American 5# $1.1889; Process Am. 2# $1.2289
NONFAT DRY MILK Nonfortified $.8000 per pound; Fortified $.8100; Instant $0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 12/14/02 & Comparable Week 2001

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK	U.S. TOTAL SINCE JAN 1	% DAIRY OF ALL WEEK	% DAIRY OF ALL SINCE JAN 1
2002-Dairy	0.2	0.8	7.4	5.5	23.1	2.8	0.6	1.0	14.8	2.2	58.4	2,495.9	46.9	46.0
2001-Dairy	0.2	0.8	5.8	5.0	21.9	2.4	0.6	1.0	13.3	2.7	53.6	2,483.4	46.1	45.5
2002-All cows	0.2	1.0	10.0	14.3	35.6	15.9	17.5	4.0	18.0	8.0	124.4	5,424.5		
2001-All cows	0.2	0.9	8.5	13.5	31.5	15.5	16.2	6.2	16.1	7.7	116.3	5,458.0		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000-2001) AND BFP (1999) MILK PRICES,(3.5% BF, $/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80

FEDERAL MILK ORDER CLASS PRICES FOR 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2003
I 1/	11.96	11.95	11.62	11.47	11.26	11.03	10.62	10.48	10.46	10.15	10.60	10.52	10.56
II	12.69	12.28	12.19	11.88	11.29	11.19	11.14	11.07	10.91	11.12	11.26		
III	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84		
IV	11.93	11.54	11.42	11.09	10.57	10.52	10.45	10.41	10.22	10.50	10.58		

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmos/mib/cls_prod_cmp_pr.htm